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RESOLUTION 87-30

RESOLUTION AUTHORIZING AN INITIAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency staff has reviewed a loan application from Shur Corporation for Club Corcoran under the Rental Housing Mortgage Loan Program and has recommended to the Lending/Insurance Committee of the Board of Directors that such loan be approved; and

WHEREAS, the Lending/Insurance Committee has reviewed that loan application and concurs in the recommendation of the staff; and

WHEREAS, based upon the recommendation of staff and the Lending/Insurance Committee, the Board of Directors has determined that an initial loan commitment be made to such project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Housing Finance Agency:

- (1) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency is hereby authorized to transmit an initial commitment letter, subject to the recommended terms and conditions set forth in the attached report of CHFA staff dated June 17, 1987 for:

PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
87-24-S	Club Corcoran Corcoran	110	\$3,650,000

- (2) The initial commitment letter shall specifically state that the commitment is subject to the Agency's issuance of a final commitment to the sponsor not later than 6 months.
- (3) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency has the authority to modify the mortgage amount so stated in this resolution by an amount not to exceed seven percent (7%) without further Board approval. All other changes, including changes in mortgage amount of more

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than seven percent (7%), must be submitted to the Board for approval.

I hereby certify that this is a true and correct copy of Resolution 87-30 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on July 9, 1987 at Sacramento, California.

ATTEST:  _____
Secretary

State of California

M E M O R A N D U M

To : Lending/Insurance Committees Date : June 17, 1987

From : Roger A. Kollias
: CALIFORNIA HOUSING FINANCE AGENCY

Subject : Club Corcoran
Corcoran, Kings County
CHFA #87-024-S

Action Requested

The purpose of this memorandum is to recommend Initial Loan Commitment under the Agency's Rental Housing Mortgage Loan Program in the amount of \$3,650,000 to fund the development of a 110 unit apartment rental project in the City of Corcoran, Kings County. The Initial Commitment is predicated upon an income loan analysis and is intended to provide a preliminary feasibility determination. The sponsor will have 180 days to obtain a Final Loan Commitment. The final application for mortgage financing will be supported by an independent market analysis and MAI appraisal, and will be subject to normal Agency underwriting disciplines.

Analysis

The City of Corcoran is located in Kings County in Central California's San Joaquin Valley. It is 178 miles north of Los Angeles and 230 miles south of San Francisco. It is situated approximately halfway between Fresno and Bakersfield on Highway 43 and is 20 miles south of Hanford, the County seat. Kings County had a 1984 household population of 80,684. Agriculture, government, retail trade and manufacturing are its principal economic sectors as measured by employment. In 1983 Kings County ranked among the top twenty agricultural counties in the United States.

Corcoran has been built on a strong agricultural base because it is located near the Tulare Lake Basin, considered to be the most fertile region in the world.

According to the City of Corcoran General Plan, published in October, 1985, Corcoran had a 1985 population of 9,065 and is projected to have a 1990 population of 12,640 (excluding the projected prison population).

The California Department of Corrections is currently constructing in Corcoran a 3,400 bed maximum, medium, minimum-medium and minimum level prison at 120% occupancy. The staff to inmate ratio used by the Department of Corrections estimates the total number of employees to be 1,364 at 120% capacity. Induced or non-correctional community support employment is estimated to produce an additional 100 to 300 jobs in the Corcoran Community. Statewide, the California Correction facilities are operating at an average 177.61% occupancy. With the continual increase in the states already overcrowded prison population, it is conceivable that the occupancy of the Corcoran facility will exceed the 120% level with a corresponding increase in prison and community employment.

According to a 1985 report prepared for the California Department of Corrections by Engineering-Economic Associates, Inc., of Berkeley, California, the current supply and quality of housing in Corcoran is insufficient to accommodate the anticipated demand by prison employees. A 1983 Kings County Regional Planning Agency study classified 36% of the housing units as either deteriorated or dilapidated.

Subject

The 5-plus acre parcel is situated on the southwest corner of King Avenue and Ottawa Avenue. The site is currently under application for annexation to the City of Corcoran. Additionally, the zoning is being changed from a single family to a multifamily designation.

The project will consist of nine two-story garden apartment buildings containing 110 apartment units and a free standing recreation building. On-site parking will be provided for 165 vehicles. The residential unit breakdown will be 50 one-bedroom units containing approximately 636 square feet, and 60 two-bedroom units containing approximately 825 square feet. All units will have carpeting and drapes, dishwasher and disposal, microwave oven, refrigerator, central heating and air conditioning, fireplace, and a patio or balcony.

Project amenities will include security entrances and parking, a recreation building containing a gym, sauna, and television room, a racquetball court, pool, spa, and BBQ areas. The entire project will be attractively landscaped.

DEVELOPMENT TEAM ANALYSIS

Sponsor - Shur Corporation Affordable Housing

The borrowing entity will be a limited partnership, to be formed, of which Shur Corporation Affordable Housing (Shur Corporation) will be the managing general partner. Shur Corporation affordable Housing, a Minority Business Enterprise, (MBE) was established in 1982 as a developer/builder to undertake the development and construction of affordable housing. Since its inception Shur Corporation has received commitments and completed 167 condominium units under the Department of Housing and Community Development (HCD) Century Freeway Housing Replenishment Program (CFHRP). Additionally, Shur Corporation responded to and was successful in obtaining commitments for rental housing projects incorporating 96 units valued at over nine million dollars.

The principals of Shur Corporation are Mr. Kit Forrest Kurisaki, President, and Ms. Sylvia Fogelman, Vice President and Secretary/Treasurer. Mr. Kurisaki, a graduate of California Polytechnic College of Pomona is responsible for construction activities including the selection and management of subcontractors. Ms. Fogelman is a licensed general contractor whose responsibilities are administrative, planning and budgeting.

Architect - Babylon Architects

Babylon Architects was founded in 1983 by Mr. Curt John Carlson as a full service architecture, planning and design firm. His involvement in past architectural projects range from small residential tract developments (1/2 acre and up) to large scale community developments (200 acres and up). Participation in these developments include master planning, public agency interfacing, architectural design, and administration.

General Contractor - Shur Corporation Affordable
Housing

Shur Corporation Affordable Housing will serve as
general contractor to the development.

Management Agent - Cal Sun Realtors and Investment
Company, Inc.

Cal Sun Realtors and Investment Company, Inc., a real
estate brokerage and management company, was founded in
1986. It maintains its principal office in Hanford,
California, and a branch office in Corcoran. The
principals are Joseph E. Rosenthal, President, and Jean
Haylock, Vice President. Ms. Haylock directs the
property management operations for the company. She has
been active in the real estate industry since 1970 and
currently manages 14 apartment projects, 95 single
family and scattered sites and 2 commercial properties.